

Policy Certification Form

Re: Name Insured: AMERICAN PROPERTY MANAGEMENT

Policy Number: YU2-L9L-441454-085

Effective Dates: 03/01/2015 to 03/01/2016

- I certify this is to be a true copy of the original policy issued.
- I certify this to be a true copy of the original declarations page issued.
- I certify this to be a true copy of the original Uninsured/Underinsured Motor Rejection and/or the Personal Injury Rejection form(s).
- This policy was retrieved from Liberty Mutual file and is Liberty Mutual's best current evidence of the policy. Liberty Mutual, however, reserves the right to supplement or amend this policy should further or different terms, conditions, endorsements, or exclusions become known. Liberty Mutual does not acknowledge that this is a certified copy of the policy, or that it is the exact copy of the policy that was delivered to the Insured.

Liberty Mutual reserves the right to further amend or supplement this policy should any additional terms conditions, or exclusions come to our attention.

Dana D. Shuttles

Commercial Markets
Underwriting Support Operations
Wausau, Wisconsin

Date: 06/17/2015



POLICY 0001

Policy Number YU2-L9L-441454-085

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COUNTERSIGNATURE ENDORSEMENT	IC0024	01-04

Policy number YU2-L9L-441454-085

Important Notice

PRODUCER OF RECORD INFORMATION

This policy has been issued by **us** to **you** through the following producer of record:

Name and Address of Producer of Record

AMWINS BROKERAGE OF THE MIDATLANTIC LLC
105 FIELD CREST AVE STE 602
RARITAN PLZ III
EDISON, NJ 08837



RM SELECT™ POLICY

DECLARATIONS

Policy number YU2-L9L-441454-085

Named Insured and Mailing Address
 American Property Management
 See Form RM0004
 8910 University Center Ln
 Ste 640
San Diego CA 92122

Form of Business Corporation

Premium Will Be Billed Annually

Policy Period: 03/01/2015 to 03/01/2016 at 12:01 A.M. standard time at above mailing address.

In return for the payment of the premium, and subject to all the terms of this policy, we agree with **you** to provide the insurance as stated in this policy.

Premium (Excluding premium for "certified act(s) of terrorism" under the Terrorism Risk Insurance Act (TRIA), as amended):	\$203,650
Premium for "certified act(s) of terrorism" under the Terrorism Risk Insurance Act (TRIA), as amended:	\$4,348
State or Municipal Taxes, Surcharges and Other Miscellaneous Charges: (See State or Municipal Taxes, Surcharges and Other Miscellaneous Charges Summary, Form RM0005, for breakdown)	\$0
Total Premium/Other Charges for Above Policy Period:	\$207,998
The Deposit Premium/Other Charges is:	\$207,998

Issued By: Liberty Mutual Fire Insurance Company

By:

 Authorized Company Representative OR Countersignature (as required)

DECLARATIONS (Continued)

A. Insuring Agreement

Subject to all the terms and conditions of this policy, we will pay for risks of direct physical loss or damage to **covered property** as a result of an **occurrence**, unless excluded.

If this policy provides Equipment Breakdown coverage then subject to all the terms and conditions of this policy we will pay for direct physical loss or damage to **covered property** as a result of an **accident to an object**, unless excluded.

This policy consists of the forms and endorsements shown on the POLICY INDEX, Form RM0003, and any endorsements attached to the policy. Insurance is provided at those locations and for those coverages and **limits of liability** shown on the Schedule of this form. Extensions of coverage, sublimits of liability and deductibles are listed on this form. Endorsements may contain separate terms, conditions, deductibles and limits or sublimits of liability.

Words in **bold faced type** have special meanings in this policy. They are defined in DEFINITIONS, Form RM1007. These definitions apply to this entire policy, and to any endorsements to it. Definitions that apply to individual forms or endorsements will be italicized and noted in those forms or endorsements. The names of forms are capitalized (for example, DECLARATIONS).

B. Coverages

We provide the following coverages if they are marked with an "X". Coverages are provided in accordance with the terms of this policy. Terms that apply only to individual coverage forms are set forth in those forms. This policy provides coverage on a replacement cost basis for **real property**, **personal property**, **personal property of others** and equipment breakdown except as indicated on VALUATIONS, Form RM1005, or any other forms or endorsements attached to this policy.

- (X) **Real Property**
- (X) **Personal Property**, including **personal property of others**
- (X) Equipment Breakdown
- (X) Loss of Business Income
 - () **Real Property or Personal Property** only
 - () Equipment Breakdown only
 - (X) **Real Property or Personal Property** and Equipment Breakdown
- (X) Extra Expense
 - () **Real Property or Personal Property** only
 - () Equipment Breakdown only
 - (X) **Real Property or Personal Property** and Equipment Breakdown

C. Limits of Liability

We will not pay more than the applicable **limit of liability** shown on the Schedule of this form for any one (1) **occurrence** or any one (1) **accident** covered by this policy, nor will we pay for more than **your** interest in the lost or damaged property.

D. Standard Extensions of Coverage

Refer to **A.** of EXTENSIONS OF COVERAGE, Form RM1002, for the standard extensions of coverage, including sublimits of liability, provided by this policy.

E. Optional Extensions of Coverage – Sublimits of Liability

1. The sublimits of liability shown in **E. 4.** below apply to the Optional Extensions of Coverage defined in **B.** of EXTENSIONS OF COVERAGE, Form RM1002. If no sublimit is shown, no coverage is provided.
2. If a sublimit is shown in **E. 4.** below for **miscellaneous locations**, **new locations** and **unscheduled locations**, coverage may be limited or excluded elsewhere in this policy or its endorsements.

DECLARATIONS (Continued)

List of Locations:

<u>Loc #</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Country</u>
1	8910 University Center Ln	San Diego	CA	92122	
2	1646 Front St	San Diego	CA	92101	
3	7320 Greenleaf Ave	Whittier	CA	80602	
4	320 Market Ave South	Canton	OH	44702	
5	7050 Johnson Dr	Pleasanton	CA	94588	
6	3737 Sports Arena Blvd	San Diego	CA	92110	
7	137 N Fair Ave	Yakima	WA	98901-4514	
8	5335 Broadmoor Circle NW	Canton	OH	44709	
9	1069 Camino Caralampi	Rio Rico	AZ	85648-1610	
10	1123 Pendleton Dr	Rio Rico	AZ	85648-3217	

VALUATIONS

A. Replacement Cost

1. Loss or damage to **covered property** will be valued at the time and place of the loss at **replacement cost** unless otherwise indicated in **B.** and **C.** below or by other forms or endorsements attached to this policy.
2. **We will not pay replacement cost until the lost or damaged property is actually repaired or replaced.** If repairs or replacement are not made within two (2) years after the date of the physical loss we will pay only the **actual cash value** amount.
 - a. **Our obligations for replacement cost will be the smaller of:**
 - (1) The cost to repair the damaged property; or
 - (2) The cost to replace or rebuild with new materials of like size, kind and quality; or
 - (3) The selling price of **your real property or personal property**, other than stock, that is offered for sale, less all saved expenses; or
 - (4) The amount of **your legal liability** to the owner of **personal property of others**; or
 - (5) The applicable **limit of liability**.
 - b. **We will not pay for any increase in cost due to your failure to use reasonable speed to repair, rebuild or replace the damaged property.**
 - c. If the replacement occurs at another location, **we will not pay for the cost of land at either the original or the new location.**
3. If **you elect not to rebuild your real property** after a **covered loss**, **you** may still make claim for the **covered loss to your real property at replacement cost**, excluding any amounts for demolition or increased cost of construction, provided;
 - a. **you** actually spend those funds on capital expenditures to improve **real property at covered locations** within the policy territory;
 - b. those capital expenditures were not planned as of the date of loss; and
 - c. **you** make claim for the expenditure of these funds within two (2) years of the date of loss.
4. If an **object** requires replacement due to an **accident**, **we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.**
However, **we will not pay more than one-hundred twenty-five (125) percent of what the cost would have been to repair or replace the **object(s)** with like kind and quality.**

This does not apply to any property subject to valuation based on **actual cash value**, nor does this provision increase any other applicable **limit of liability**.

The **period of restoration** will not be increased by any of the above.

B. Actual Cash Value

Loss or damage to these types of **covered property** will be valued at **actual cash value** at the time and place of loss:

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DEFINITIONS

A. Accident means a sudden, fortuitous event that causes direct physical damage to an **object(s)**, which requires that the **object(s)** be repaired or replaced, in whole or in part.

Accident, however, does not include any of the following:

1. Fire, including water or other means used to extinguish the fire;
2. Combustion explosion. This includes but is not limited to, a combustion explosion of any steam boiler or other fired vessel;
3. Discharge of molten material from equipment including the heat from such discharged material;
4. Depletion, deterioration, rust, corrosion, erosion, settling or wear and tear or any other gradually developing condition;
5. Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance;
6. Lightning;
7. Any loss or damage caused by or resulting from any type of electrical or electronic insulation breakdown test; or
8. Any loss or damage caused by or resulting from any type of hydrostatic, pneumatic or gas pressure test.

B. Actual cash value means **replacement cost** less deduction for depreciation.

C. Average daily value (ADV) means **your business income** that would have been earned during the **period of restoration** had no loss happened, divided by the number of operating days in that period.

The **average daily value (ADV)** applies to the **business income** value of the entire **covered location** whether or not the loss effects the entire **covered location**. If more than one (1) **covered location** is included in the valuation of the loss, the **average daily value (ADV)** will be the combined value of all **covered locations**.

D. Business income means:

Gross earnings, including rental income, plus all other earnings derived from the operation of the business, less all charges and expenses which do not necessarily continue.

For example:

1. Manufacturing operations:

The net sales value of production less the cost of all raw stock, materials and supplies utilized in such production.

2. Mercantile or nonmanufacturing operations:

The net sales less the cost of merchandise sold and materials and supplies consumed in the operations or services rendered by **you**.

DEFINITIONS (Continued)

3. In **your** care, custody or control, and for which **you** are legally liable, but only to the extent of **your** insurable interest therein.

F.F. **Policy period** means the time during which insurance is provided by this policy.

G.G. **Pollutant(s)** means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, fiber, smoke, vapor, soot, fumes, acids, alkalis, chemicals, biological, organic or bacterial agents and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed. However, **pollutant(s)** does not include ammonia.

H.H. **Pollution** means the presence, discharge, dispersal, seepage, migration, release or escape of any **pollutant(s)**.

I.I. **Puget Sound** means the Counties of Clallam, Island, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston, and Whatcom in the State of Washington.

J.J. **Real property** means buildings and any other structure, including:

1. Completed additions, extensions, permanent fittings or fixtures;
2. Machinery and equipment used to service the buildings;
3. Yard fixtures.

K.K. **Replacement cost** means the cost to replace **covered property**:

1. With new materials of like kind and quality and used for the same purpose; and
2. At the location where the loss happened.

But **replacement cost** excludes any increased cost of repair or reconstruction by reason of any law or ordinance regulating construction, repair or use.

L.L. **Second tier wind Counties and Parishes** means the Counties and Parishes in the States as follows:

Clarke, Covington, Escambia, Geneva, Monroe, and Washington Counties in the State of Alabama;

Brantley, Brooks, Bulloch, Charlton, Effingham, Evans, Long, Tattnall, Thomas, and Wayne Counties in the State of Georgia;

Acadia, Assumption, Calcasieu, Iberville, Jefferson Davis, Lafayette, St Charles, St James, St John the Baptist, St Martin, Tangipahoa and Washington Parishes in the State of Louisiana;

George, Pearl River, and Stone Counties in the State of Mississippi;

Bladen, Columbus, Craven, Duplin, Gates, Halifax, Hertford, Jones, Lenoir, Martin, Northampton, Pitt and Sampson Counties in the State of North Carolina;

Bamberg, Berkeley, Dillon, Dorchester, Hampton, Marion and Williamsburg Counties in the State of South Carolina;

Bee, Brooks, Fort Bend, Goliad, Hardin, Harris, Hidalgo, Jackson, Jim Wells, Liberty, Live Oak, Orange, Victoria, and Wharton Counties in the State of Texas.

M.M. **Sinkhole collapse** means loss to **covered property** resulting from the sudden sinking or collapse of any land into naturally occurring underground empty spaces created by the action of water on limestone or similar rock formations. Coverage for **sinkhole collapse** does not include the cost of filling sinkholes.

Policy number YU2-L9L-441454-085

This endorsement is effective 03/01/2015 and will terminate with the policy. It is issued by the company designated in the Declarations. All other provisions of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL NAMED INSURED

This endorsement modifies insurance provided under the following:

CONDITIONS, Form RM1006

We will provide insurance under this policy to each of the persons or organizations shown as an additional named insured on the Schedule of this endorsement.

We will adjust any **covered loss** only with **you**.

You will pay the premium for the insurance **we** provide to the additional named insureds. In the event that **you** become bankrupt or insolvent, each additional named insured shall pay the premium for the insurance it receives.

We will make **our** payment jointly to **you** and any person or organization shown on the Schedule.

Schedule

Additional Named Insured

Location

Per schedule on file with **us**.

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RM1100 01-04

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POLICY 0058